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President: Mr. PIRIZ-BALLON (Uruguay)

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The meeting was called to order at 10.15 a.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES (continued) (DP/1991/10 and Add.1-4, DP/1991/11-15, DP/1991/57, DP/1991/68 and DP/1990/77)

1. Mr. ELIASSON (Sweden) said that 1990 had been a year of major events for UNDP. The launching of the Human Development Report had been an important step forward in strengthening UNDP's analytical capacity as a development institution. The decision adopted on the fifth programming cycle had set clear priorities for UNDP's activities; and the framework decision adopted with respect to agency support costs had the potential to contribute to reforms of the operational activities of the United Nations. The case for such reforms was very strong, since current and future challenges called for different methods and solutions than those applicable in the early days of United Nations technical assistance.

2. The Nordic United Nations project, a contribution of the Nordic countries to the debate on the reform of the United Nations in the economic and social fields, underscored the interdependence of all countries as they faced the serious challenges of the 1990s. With a view to enabling the United Nations to deal more effectively with those challenges, the project highlighted four key requirements. Firstly, it was necessary to strengthen the United Nations operational role in the field of development by making the system more forward-looking, transparent, responsive and accountable. Secondly, the specialized agencies must be strengthened, and their role in providing technical assistance must be redefined. Thirdly, UNDP should be strengthened so that it could concentrate more on its areas of comparative advantage, and its analytical capacity should be further developed to enable it to become a stronger partner of developing countries, extending its role beyond that of a mere funding mechanism. Lastly, the United Nations machinery for emergency relief and ad hoc operations should be strengthened, and its coordinating role in that area improved.

3. There appeared to be an emerging consensus on new roles for the participants in operational activities. The General Assembly had agreed on the need to restore to the United Nations agencies their role of technical competence and to assign to the recipient countries their proper role of responsibility.

4. The major task facing the Governing Council was that of developing the 1990 framework decision on support costs. In so doing, it should bear in mind a number of fundamental principles. Firstly, UNDP had been established to finance development in developing countries. Secondly, the true costs of delivering technical assistance must be identified and reimbursed, and the new system should promote cost-efficiency, transparency and accountability. Thirdly, the best sources of competence available - inside or outside the United Nations system - should be utilized; the concept of partnership should

(Mr. Eliasson, Sweden)

not be translated into monopoly. Fourthly, national execution would strengthen the capacity of the recipient countries to take firmer control of their own development. It was essential to retain the long-term goals and principles for the new support-cost system, taking care not to nullify the achievements of 1990. The decision to be taken at the Council's current session would be a test of the international community's willingness to initiate reforms of the United Nations system.

5. His delegation was pleased to note that efforts were being made to enable the United Nations system to respond quickly and efficiently to emergencies and provide quick and reliable information on needs to the donor community, and to clarify the division of labour among the various United Nations agencies. UNDP played a special role in countries struck by emergencies, since the resident representative was also in most cases the resident coordinator of the United Nations system. Moreover, UNDP should be the bridge-building organ for the continuum from relief to development.

6. The Human Development Report 1991 was an innovative document that represented a new analytical approach to development problems. Its message that economic growth was a necessary, but not sufficient, condition for development was a powerful one. By placing people at the centre of development, the report brought the Preamble to the United Nations Charter to life. A major conclusion in the report was that lack of political commitment, rather than lack of financial resources, often was the reason for neglect of the human potential. Some developing countries had made admirable progress in human development. At the same time, the need for substantial external financial support was as strong as ever.

7. Although efforts to measure different aspects of human development were still to be refined, the type of information presented in the report provided decision makers throughout the world with valuable instruments for planning and policy-making. The report and the new support-cost system gave UNDP the tools to build a better future.

8. Mr. HALVORSEN (Observer for Norway) said that the annual report of the Administrator for 1990 (DP/1991/10 and Add.1-4) and the statement by the Administrator at the Council's 20th meeting confirmed the growing impression that the United Nations system was poised for renewal if Member States would provide the necessary support. The Nordic United Nations project, a study of the operational activities of the United Nations system, had been initiated in order to encourage further debate on the reform of the United Nations in the social and economic fields. The operational activities of the United Nations must be reformed in order to make the system more transparent, responsive and accountable. A better definition was required of the roles and responsibilities of the various organizations comprising the system, and their executive bodies needed to function more efficiently in order to guide their activities on a more continuous basis.

(Mr. Halvorsen, Observer, Norway)

9. He noted that, in the case of UNDP, 10 donors provided approximately 80 per cent of the contributions, and stressed the need for ensuring better predictability and stability and fairer burden-sharing in the financing of UNDP's activities.

10. The role of UNDP should be considerably strengthened so that it concentrated more on areas in which it had a comparative advantage. Those advantages, which included UNDP's universality and neutrality, its long-standing presence in developing countries and its close cooperation with national authorities, while always part of UNDP's image, had not been developed to their full potential. In some cases, UNDP assistance had been treated as a residual source of assistance with no apparent focus or long-term objective, a situation which must be changed. UNDP was in a privileged position to help developing countries establish and coordinate technical assistance priorities and objectives. Certain recent changes seemed to reinforce that position, while others did not.

11. In the interests of ensuring a timely and effective response to emergencies, there was a clear need for a permanent inter-agency structure with the proper authority and resources and a well-defined mandate and responsibility for initiating action. Decisions at the current session of the Council should not prejudge the role of UNDP that would emerge from broader discussions in the system. Whatever the outcome, UNDP's main objective should remain long-term development, and his delegation therefore questioned the current proposals to increase its role in relief operations.

12. The new management structure proposed for UNDP left some uncertainty as to how the Bureau for Programmes and Policy would be organized, and how it would ensure the most effective promotion of the six special priority areas. His delegation was particularly concerned at the changes envisaged for the Division for Women in Development, which apparently was to be downgraded. In order for the Division to fulfil its responsibilities, it was essential that it should remain a separate and visible unit led by a high-ranking officer who would personally participate in the most important internal policy meetings. Although his delegation endorsed the ultimate goal of fully integrating women-in-development issues into the mainstream of UNDP's activities and organization, UNDP had not yet reached a point where the proposed restructuring was justified, and there was a danger that the existing momentum would be lost. His delegation appreciated the emphasis which the Administrator had placed on women in development, and hoped that the proposed organizational modifications would be reconsidered.

13. The establishment of a Division for Private Sector in Development illustrated the importance of enhancing private initiative to achieve broad development objectives. At the same time, an efficient public sector was necessary in order to create and maintain a framework conducive to private-sector development, and to ensure the necessary infrastructure to support it. His delegation questioned the basis for UNDP's activities and

(Mr. Halvorsen, Observer, Norway)

organizational arrangements with regard to private-sector development, and requested the Administrator to provide the Council with a discussion paper outlining the role and strategy of UNDP in the private sector, for consideration in 1992. His delegation's call in 1988 for an in-depth discussion of the question had gone unheeded.

14. The HIV/AIDS pandemic represented a grave threat to human development. However, UNDP should not involve itself in tasks that could be carried out as well, or even more effectively, by other organizations. Rather, it should be concerned primarily with the social and economic development aspects of the pandemic, and any relevant activities which it undertook should be carried out within the coordinated framework of the Global AIDS Strategy and in close cooperation with the World Health Organization.

15. Lastly, the Human Development Report, by means of which UNDP had strengthened its analytical capability, would prove a useful instrument for development planning and for the establishment of technical assistance objectives. His delegation looked forward to the further improvement of the report and of its methodology.

16. Mr. ERDENECHULUUN (Observer for Mongolia) said that the United Nations had begun the ambitious task of making itself more responsive to the opportunities and challenges of the rapidly changing international environment. An important first reflection of that process could be seen in the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, adopted by the General Assembly at its eighteenth special session.

17. His delegation welcomed the concept of people-centred development, which, although not new, was an ideal that had often eluded the grasp of even the most affluent societies. While the political will to foster human development had existed in his country for a long time, the lack of adequate resources and an all-pervasive statism had until recently limited its impact. His country now had to focus on making development a fully participatory process.

18. His delegation welcomed the basic thrust and the innovative approach of the Human Development Report 1991, and noted with interest such features as the human development index and the introduction of a human freedom index. His delegation agreed with the Administrator that making assistance conditional on human freedom was not appropriate for UNDP or others.

19. The United Nations Population Fund (UNFPA) deserved praise for having highlighted in a timely manner the major population issues that must be grasped in order to permit an understanding of the many-faceted problems of human development.

20. His delegation welcomed the broader scope and the increase in the number of cooperative efforts between his country and UNDP, and he cited two examples of that cooperation. He expressed his country's appreciation to the Assistant

(Mr. Erdenechuluun, Observer, Mongolia)

Administrator and Director of the Regional Bureau for Asia and the Pacific and his staff, and to the Resident Representative of UNDP in Mongolia. His delegation looked forward to a continued expansion of its cooperation with UNFPA on the basis of a full-fledged country programme in the coming years.

21. Enhanced cooperation between his country, UNDP and other organizations in the United Nations development system was particularly important at a time when his country was experiencing profound changes in its political, economic and social life. The complex process of change was compounded by such problems as a sharp decline in economic production, a marked increase in the budget deficit, and a lack of foreign-currency reserves. His Government was fully cognizant of its primary responsibility for leading the country out of the current crisis, and was doing its utmost to involve the public sector in the development effort, with a view to eventual self-reliance through the building and strengthening of national capacities.

22. Innovative measures were being introduced, with due regard to the specific conditions in his country. Practical measures to ensure the transition to a market economy had been introduced, including the launching of the privatization process, the liberalization of prices, consideration of laws on taxation, steps towards the establishment of free economic zones, and efforts by the Government to attract foreign investment. It went without saying that his country's development efforts would be successful only in a favourable international environment that encouraged increased development cooperation.

23. Mr. MLLOJA (Observer for Albania) said that the launching of the Human Development Report had demonstrated the strong commitment of UNDP to the concept that international cooperation for development should centre on the development of human beings. His Government fully endorsed that concept and intended to mobilize efforts to open up new opportunities for technical cooperation between Albania and UNDP.

24. As noted in the Administrator's report (DP/1991/10/Add.1), the Regional Bureau for Arab States and Europe had been strengthened and the changing needs of Eastern Europe had been addressed through assistance which focused on support for the transition from centrally planned to market economies. Such assistance was crucial, since the economic success of those countries would depend largely on the development of their expertise in modern management skills.

25. Albania was in particular need of UNDP assistance, in view of the features which characterized its social and economic development. The Albanian people were unequivocally in favour of democracy, and the forthcoming introduction of Albania's first truly pluralistic government, composed of representatives of all the political forces in the country, bore witness to the people's support for freedom, democracy and human rights. However, the transition to a democratic system and a market economy presented complex and

(Mr. Mlloja, Observer, Albania)

difficult challenges, owing to Albania's 20-year alienation and non-acceptance of credits from abroad, as well as its lack of adequate infrastructure and of the necessary managerial and legislative know-how.

26. UNDP had already demonstrated its ability to respond rapidly to Albania's evolving needs by providing the services of a high-level economist to assist in the formulation of a new economic programme. In addition, two leading opposition members of the new Government had participated in a six-week UNDP training course for political and economic leaders in Central and Eastern Europe. Given the active involvement of UNDP in the reforms being undertaken by the Albanian Government, he strongly supported the idea of using indicative planning figure (IPF) funds to develop project proposals for which UNDP would actively seek co-financing. The priorities identified for European countries in transition also applied to Albania: management development, private-sector development, transport and communications development, and environmental management, with due regard to human development in all of those areas. In addition to long-term assistance, Albania would require emergency assistance to enable it to withstand the hardships of the transition phase. His Government urged UNDP to organize, in collaboration with other agencies, a mission to address Albania's emergency needs.

27. Considerable efforts would be required to enhance and reorient Albania's human potential and its technical and scientific expertise. The country and intercountry programmes and projects in which Albania was cooperating with UNDP had already yielded positive results in that respect. His Government supported the proposed opening of a UNDP office in Tirana as a means of increasing programme efficiency and broadening cooperation with other United Nations agencies. In addition, his Government took great interest in the activities of the Transfer of Knowledge through Expatriate Nationals (TOKTEN) programme, and of UNFPA. However, it wished that the financial prospects for the fifth cycle had been more favourable.

28. His Government, recognizing that UNDP assistance alone was insufficient to alleviate Albania's difficulties, would welcome all types of support from donor countries, including humanitarian aid coordinated through UNDP. Albania would spare no effort to cooperate with UNDP in implementing the decisions taken by the Governing Council.

29. Mr. SOZA MBUNZU-TE-NATE (Zaire) recalled that at the thirty-seventh session of the Governing Council, his delegation had welcomed the contributions of the United Nations system to Zaire's national development efforts. However, it had also felt that the efforts of UNDP, in collaboration with other agencies, should be oriented principally towards the establishment of a new, just and equitable international economic order and towards increased utilization of national capacity, the allocation of financial resources to Zaire's development programmes in proportion to its geographic size, and the consideration by UNDP of seminars and training sessions, in Zaire or abroad, for local staff called upon to implement various development

(Mr. Soza Mbunzu-Te-Nate, Zaire)

programmes. His country had great faith in the capacity of UNDP to help it overcome the obstacles to its socio-economic development.

30. Although some aspects of the Human Development Report, such as the human development index and the human freedom index, were open to criticism, the report had the merit of drawing the attention of all government leaders, and particularly those of developing countries, to the ways in which budget allocations could sometimes run counter to the goal of human development. Economic growth must go hand in hand with social development if development programmes were to be sustainable. Access to education, health care, employment, adequate housing, food, and fundamental freedoms was indispensable to development, as was the equal participation of women at all levels.

31. The Management Development Programme, in accordance with General Assembly resolution 44/211, required that UNDP should take into account the reforms undertaken by developing countries, particularly structural adjustment programmes, which had yet to produce positive results. UNDP was called upon to help such countries to improve public-sector management and to balance public expenditure in the production sector with those in the social-services sector.

32. The democratization process begun the previous year in Zaire was a prerequisite for development through active and effective cooperation with bilateral and multilateral partners. He was pleased to note that UNDP was already assisting the democratization process in various countries, and his Government would welcome similar assistance for Zaire. Currently, in the context of the fourth country programme for Zaire, his country's cooperation with UNDP centred on the mobilization of national capacity for project execution, the development of social welfare to mitigate the negative effects of the structural adjustment programme, and the involvement of non-governmental organizations in the development process.

33. UNDP, as the catalyst and leader of all executing agencies for United Nations programmes, must be supported by increasingly generous contributions from the international community in order to fulfil its challenging mandate, which had been unanimously reaffirmed by the Governing Council in its decision 90/34.

34. Mr. MAYORGA-CORTES (Nicaragua) said that the United Nations was currently in a period of transition that required the Governing Council to re-evaluate and re-orient UNDP, not only to increase its resources and its cost-effectiveness, but also to design programmes that better responded to the serious problems of the developing world. His delegation fully supported the priority which UNDP gave to human development, which could be defined as the extent to which the members of a society enjoyed the whole range of human rights, including political, economic and social rights. Furthermore, since freedom was the basis for all other human rights, his delegation could only support the inclusion of that theme in the UNDP Human Development Report.

(Mr. Mayorga-Cortes, Nicaragua)

However, it also welcomed the Administrator's assurance that UNDP would not make its cooperation contingent upon the human freedom index of a given country, or recommend such an approach to others. While creative UNDP responses to opportunities that arose in individual countries were commendable, UNDP should act only at the request of the countries concerned, in accordance with the principle that the countries themselves should determine their national programmes and priorities.

35. As development indicators, the human development index and the human freedom index, despite their acknowledged limitations, were potentially more revealing and relevant than mere estimates of per capita income. The efforts which had gone into the presentation of those indicators were laudable, but must be carefully refined. It should be borne in mind that because of their qualitative nature, the new indices inevitably involved value judgements which did not necessarily apply to all of the multiple and diverse cultures represented in the United Nations.

36. In view of those observations, efforts to refine the indices should take into account the need to intensify dialogue and consultation at the country level on the theme of human development; should avoid pigeon-holing countries into hierarchical rankings on the basis of estimates which were still unreliable and difficult to compare in the absence of a generally applied methodology for data collection; and should correct the current report's two major errors of using outdated information and relying on sources other than those of the United Nations. His delegation believed that the Governing Council should, at its current session, agree on guidelines which would improve the content of future issues of the Human Development Report.

37. Nicaragua welcomed the 30 per cent increase in the value of new projects approved in 1990 over those approved in 1989, as well as the 35 per cent increase in follow-up investment. Also encouraging were the priority given to the least developed countries, and the national technical cooperation assessment and programmes for 28 African countries. Africa had also benefited from the Management Development Programme and from various joint activities undertaken in coordination with the African Development Bank and the World Bank. Progress in Asia and the Pacific was also notable, especially with respect to human development and its relation to the environment, grass-roots participation at all stages of development, and women-in-development issues. Greater emphasis had also been placed on the development of the private sector in that region and in the countries of Eastern Europe.

38. His delegation regretted that the Persian Gulf war had hindered UNDP cooperation with the Arab States and Europe. However, the mid-term review of the fourth regional programme for the Arab States had resulted in the reinforcement of food security, technology and human resources development as priority areas for the fifth cycle. His delegation felt that the prospects for development in the context of the integration efforts of the Arab Maghreb Union presented significant opportunities for cooperation, which UNDP should not neglect.

(Mr. Mayorga-Cortes, Nicaragua)

39. The Administrator's report indicated that the execution of programmes in Latin America and the Caribbean had been faced with the harsh social consequences of structural adjustment programmes and the need to establish the basis for a strategy for durable recovery (DP/1991/10/Add.1, paras. 50-51). His delegation felt that greater priority should be given to programmes and projects relating to the eradication of poverty. Current projects in Colombia on that subject and on the protection and promotion of human rights could constitute important examples for other countries in the region.

40. He welcomed the decisions taken by the Governing Council in February 1991 concerning the Special Plan of Economic Cooperation for Central America, as well as the support provided to the International Conference on Central American Refugees. The progress report on the execution of the Action Plan adopted by the Conference indicated that the Plan had made significant headway. Over 400,000 people had benefited directly or indirectly from the programme.

41. He supported the proposals put forth by the representative of Denmark at the 21st meeting of the current session concerning the establishment of an international development council to monitor the activities of UNDP, UNFPA, the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD). He agreed that each of those organizations should maintain its own governing body, though on a reduced scale, and that coordination among those agencies would become increasingly important in the coming years.

42. Mr. LUNA (Observer for Peru) said that international détente had enabled the world community to restructure its priorities in favour of human beings as the centre of development activities. The United Nations system had recognized that the primary objective of development was to improve the quality of life of human beings, particularly in developing countries.

43. However, in defining the concept of quality of life, the international community must agree on the various components of that concept. Although economic growth undoubtedly was one such component, it was not, in itself, sufficient to guarantee a higher quality of life. It was therefore necessary to introduce indicators of a qualitative nature, which inevitably prompted questions about their objectivity. The Human Development Report 1991 represented a significant effort in that respect, and the human development index, introduced in the 1990 report, had been refined. However, the current report also included a new index whose political consequences could be extremely serious for developing countries: the so-called "human freedom index".

44. Freedom was a concept with multiple meanings that could not be dissociated from the cultural context and social relationships of the people who formulated that concept and attempted to put it into practice. Freedom could not be defined in absolute or abstract terms, or solely in relation to

(Mr. Luna, Observer, Peru)

any single dimension of social reality. All of the indicators used in determining the human freedom index referred to social, cultural or political rights. None of them were related to such factors as the right to development or the fundamental right to life, which was in serious jeopardy in developing countries. Any definition of freedom must be based on the guarantee of human survival.

45. Moreover, the data on which the report's ranking of selected countries was based were derived from The World Guide to Human Rights. The profound political changes and the proliferation of democracy throughout the world in recent years had rendered those data obsolete.

46. He wished to know what criteria had been used in selecting the 40 indicators to measure human freedom, what their order of priority was and what world view they reflected. It was clear that behind those indicators was a political model of freedom and democracy that laid claim to universality. It was no accident that developed countries located in specific geographic areas and interrelated by common cultural and historical ties had been ranked as countries with a high level of freedom, or that the political systems of those countries were extremely similar. His delegation recognized the demonstrated effectiveness of democracy in providing development opportunities for citizens of those countries, but felt that the type of democracy and freedom thus represented had been forged under very specific historical circumstances. Both democracy and freedom could take various forms. If those forms were limited to the mechanical transposition of what were claimed to be the sole valid models, the outward forms of democracy took the place of its substance. Such a result posed grave dangers to developing countries by causing profound popular dissatisfaction with the inability of political instruments to satisfy the demands of democracy, which could give rise to irrational solutions.

47. Peru had been engaged in an intensive democratic process for over a decade, and the consolidation of that process called for a great effort on the part of all Peruvians. However, that effort did not yield an acceptable standard of living for the population. Democracy was therefore extremely vulnerable in Peru, owing essentially to the impoverishment of the country in recent years. That alarming situation could be overcome to a great extent through a considerable increase in international cooperation, which should be provided on an appropriate basis, taking due account of existing commitments not only by Peru itself, but by all members of the international community.

48. Freedom took a very specific form in Peru, which was a multi-ethnic society whose cultural wealth derived precisely from its diversity. Democratic models in Peru and the freedom exercised through them were the product of the intermingling of many cultural factors and of the great vitality and creativity of the peoples of the country. Freedom was basically created by the people.

(Mr. Luna, Observer, Peru)

49. United Nations technical assistance to developing countries was based on such principles as those of universality and neutrality. The human freedom index as proposed in the Human Development Report 1991 jeopardized observance of such principles by introducing extremely dangerous and arbitrary criteria, which would result in a reduction in assistance to developing countries at a time when it was vital to their survival. That index, with its outdated European focus, could give rise to yet another set of conditions to be met, and thus serve as an unacceptable means of bringing political pressure to bear on the developing countries. It must therefore be reviewed in detail in order to evaluate not only its political relevance, but also its questionable technical basis. To do otherwise would be to disregard the terms of reference for multilateral economic cooperation established with great care through a lengthy negotiating process in which the views of all members of the international community had been taken into account.

50. Mr. LEMERLE (France) said that his country largely shared the concerns of UNDP. It was gratifying to note that with the fifth programming cycle, the set of concepts on which UNDP was based would be consolidated, particularly as a result of the Human Development Report, while the application of those concepts would benefit from a new programme approach.

51. UNDP was thus progressing in the right direction and should be supported in its action. However, the debate on human development must actually lead to appropriate action, so as to strengthen the specific characteristics of UNDP and to help it in setting its priorities.

52. The Human Development Report, which aimed to state relevant universal principles, was a powerful tool in that debate. However, interpretation of the human development index, which had been included in the current report, was likely at the current stage to give rise to reservations, doubts and frustration. None the less, the statistical or methodological flaws in the exercise in question must not mask the importance of the report, which the Administrator had courageously endorsed.

53. The conclusion reached in the report, which France supported, was clear: there could be no economic development without freedom. That conclusion also emphasized the need to ensure popular participation in development, particularly the need to expand the role played by women, while at the same time strengthening management capacity, the transfer of technology and rational use of the environment. France also noted that particular attention would be devoted to sub-Saharan Africa. Such priorities would provide a basis for an effective technical cooperation policy.

54. It no longer seemed reasonable to criticize UNDP for lack of vision. UNDP had indicated clearly that it wished to give priority to human factors and protection of the environment, and that it would encourage the developing countries to have confidence in their resources, which could be mobilized by means of the rapid development of national execution machinery. However,

(Mr. Lemerle, France)

those intentions would have to be translated into specific programmes. Moreover, UNDP should intervene only where its assistance was of real benefit.

55. The greater involvement of UNDP in assistance activities relating to efforts to control AIDS and its consequences, to emergency operations in the event of natural disasters and to mass flows of refugees must be considered with great care. UNDP certainly had a coordination role in connection with short-term requirements, and that role must be performed more effectively. However, UNDP must take care to delegate responsibility for carrying out such activities. Otherwise, it would be diluting its efforts, its overall effectiveness and utilization of resources would suffer, and the resulting competition with the specialized agencies would be counter-productive. Admittedly, that was no easy task, since it meant that UNDP often had to strike a delicate balance between emergency activities and long-term action.

56. One of the great assets of UNDP was its cultural diversity, and it was desirable that the group involved each year in preparing the Human Development Report should be expanded, as in the case of the composition of the staff of UNDP. It was also important that documents should be translated promptly so as to ensure their full dissemination within national development institutions. In 1991, once again, a certain amount of improvement was required in that connection.

57. The priority that was now to be accorded to national execution meant that management by national administrations must be promoted and strengthened, and that assistance in programme preparation must be provided in the individual countries concerned. As a result, a closer relationship must be established between UNDP and non-traditional executing agencies, including non-governmental organizations. UNDP's place in the United Nations system would thus have to change, and serious thought must therefore be given to that matter. In that connection, the ongoing debate with the various agencies on support costs must continue until a consensus was reached on a solution. Hasty implementation of new measures, without adequate preparation, was inadvisable. A further effort to explain the situation would be helpful in that area.

58. Structural reform was also called for, and the Administration of UNDP had taken due account of that need, particularly by giving greater responsibilities to the field offices, which were required to inform headquarters of concerns that arose in the field and to take the initiative more.

59. However, UNDP must show the necessary flexibility when providing technical assistance in different contexts and in order to meet changing needs. In that connection, the role played by some agencies associated with UNDP that were engaged in specific, innovative and highly positive activities, such as the United Nations Capital Development Fund, or in regional activities, such as the United Nations Sudano-Sahelian Office, should be

(Mr. Lemerle, France)

stregthened, which meant that their identity should be retained. Similarly, the acknowledged importance of the role of women in development meant that bodies responsible for promoting that role should not be weakened.

60. Mr. AWOONOR (Ghana), speaking as Chairman of the Group of 77, said that the Group wished to express its views on some of the issues raised in the 1991 edition of the Human Development Report, with a view to ensuring that the shared values that underpinned the basic principles and criteria governing UNDP assistance did not become distorted. In that regard, the Group of 77 wished to reaffirm the validity of General Assembly resolutions 2688 (XXV), 3405 (XXX) and 44/211.

61. The attempt to broaden the criteria for measuring development to include indices for literacy and life expectancy could not be faulted. Indeed, it was a major contribution of the Human Development Report 1991 that it placed people at the centre of all development. The essentially materialistic traditional method of measuring development failed to capture an important dimension of development, since a high per capita GNP did not necessarily indicate human development. The new composite index was an invaluable instrument for the policy maker.

62. It was the attempt to refine the instruments for measuring human development in the current edition of the report, by constructing what was called a human freedom index, that had caused the Group of 77 some concern. Freedom was a value-laden concept that found expression in different shapes and forms from society to society, even though freedom was indivisible. For that reason, one would have thought UNDP would have been a little more cautious and selective in identifying notions of freedom to be included in the index. To take the work of a particular scholar, representing a particular culture seen by many in recent human history as linked to the oppression and exploitation of a vast part of the world and develop an index that should be applicable to all societies and cultures was to show a lack of sensitivity hardly acceptable in a universal body like UNDP. And to say that a certain sexual conduct between two consenting adults could be a criterion for judging human development was to impose notions of freedom which in other societies were regarded as an aberration. The fact that that very conduct was a matter of often heated controversy even in countries where such conduct seemed to enjoy a measure of acceptance was glossed over.

63. The Universal Declaration of Human Rights and the International Covenants on Human Rights embodied generally accepted notions of freedom and should have been the central resource for developing any universal human freedom index. In any case, it was the Commission on Human Rights that had the mandate for human rights questions. When UNDP elected to make that subject one of its central concerns, it ran the risk of opening itself to serious questions as to whether it was veering away from its mandate. Its neutrality would thereby be compromised. And its field offices would be transformed into agents for measuring human freedom issues on the basis of very questionable criteria. It was to be hoped that that was not the intention of UNDP.

(Mr. Awoonor, Ghana)

64. The greatest concern of the Group of 77 related to what the report itself proclaimed as its main conclusion, namely that lack of political commitment, not financial resources, was often the real cause of human neglect. The causes of human neglect were more complex than the sweeping conclusion of the report suggested. There were other factors that constituted a severe constraint on development in developing countries, making it difficult to undertake higher levels of social investment. To fail to take those factors fully into account, as the report did, was to oversimplify the problem. A crucial factor was the exploitative nature of the international economic regime.

65. In spite of their difficult economic circumstances, developing countries had made modest gains in social investment, and that was acknowledged even by the authors of the report. It was when countries had to undertake structural adjustments that the international financial institutions made them curtail expenditure on social services as one of the conditions for access to resources. Developing countries had, for their part, always argued that social investment was necessary for sustainable development.

66. A resource gap of $5 billion each year between current flows to Africa and what was needed for promoting Africa's long-term development had been identified. That figure on all accounts was very conservative. Furthermore, the views expressed by the General Assembly in the Declaration adopted at its eighteenth special session on international economic cooperation regarding external debt, development finance, the creation of an open and equitable trading system, and the diversification and organization of the economies of developing countries were of great importance. Similar views had been expressed in the International Development Strategy. That would entail parity remunerative prices for the produce of developing countries, reducing debt-service burdens as well as the stock of debt, access to markets and transfer of technology at reasonable prices.

67. Those were some of the important factors inhibiting human development in developing countries, not simply lack of political will. The Group of 77 believed that the primary factor was the absence of a favourable and just economic environment in which developing countries could realize their aspirations to improve their living standards.

68. To focus exclusively on the lack of political will led to policy responses that might be inadequate for dealing with the problem of human neglect. Therein lay the danger of the report's oversimplification of the problem. The members of the Group of 77 had felt that the flawed conclusion of the report should not be allowed to go unchallenged. It was their hope that UNDP and the United Nations development system as a whole would treat the report with a great deal of caution.

69. Mr. TRAXLER (Italy) said that he would like to make some comments in addition to those contained in the statement delivered by the Netherlands on behalf of the 12 States members of the European Community, to which he entirely subscribed.

(Mr. Traxler, Italy)

70. The current decade was undoubtedly crucial from many points of view. The international community faced a new international situation after the changes in Eastern Europe and the Gulf crisis; it was challenged by a number of pressing global problems, particularly the slow pace of development in the South, degradation of the environment, the depletion of natural resources and excessive population growth. It was becoming increasingly clear that what was at stake was the quality of life of every human being.

71. UNDP had the merit of having understood at the right time that the concept of quality of life must be the cornerstone of any development policy. The Human Development Report 1991 was, in the view of the Italian Government, the most interesting United Nations document to be issued in the past few years. Italy commended the Administrator for his courage in supporting the work of the independent team headed by Mr. Mahbub ul Haq.

72. However, the report was only a starting-point. Firstly, constant work was needed to refine the methodological base of the human development index. Moreover, a substantial improvement of the human freedom index should be pursued, as acknowledged by the Administrator himself. In the meantime, however, Italy considered of great value the emphasis given both to the fact that economic growth did not automatically result in an improvement in the everyday life of people and to the relationship between human development and human freedom. Popular participation was a necessary component of any realistic development policy. Obviously, popular participation could not be achieved without freedom. It was therefore altogether logical to include a human freedom index in the report.

73. A very important step had been the statement, in Governing Council decision 90/34, paragraph 6, of the general principle that human development should be promoted. UNDP thus now had a very specific mandate on which an agressive development strategy could be built. Italy believed that a strategy focused on general human development would give UNDP a unique position among development institutions; such an approach, moreover, would strengthen UNDP's coordination role, in accordance with General Assembly resolution 44/211, and would ensure its intellectual leadership in the United Nations development machinery.

74. Currently, the financial resources available to UNDP were not sufficient to respond to the challenge before it. The financial flow to UNDP was becoming flat in real terms, and in donor countries there were no signals, so far, that that trend would improve. On the other hand, in UNDP, the Office for Project Service was attracting growing funds earmarked for specific projects. That meant that there was something wrong with the way in which UNDP core activities were perceived by the general public and by the Governments of donor countries. There were perhaps two explanations for that problem.

(Mr. Traxler, Italy)

75. Firstly, UNDP did not have a clearly defined image: the consequence was a degree of indifference towards UNDP activities and a lack of pressure regarding the funding of its budget. Secondly, the rigidity of the IPF system probably gave donor Governments the impression that they were putting money into a large, very bureaucratic mechanism, lacking focus and flexibility; consequently, the comparative advantages potentially offered by UNDP were not sufficiently clear. As a result, bilateral cooperation or earmarked contributions to UNDP for specific projects appeared more suitable for the achievement of development goals. The possibility for donors to indicate a specific focus and the possibility of earmarking resources for specific purposes made all the difference between the stagnation in UNDP resources and the growth of activities of the Office for Project Service and other non-core activities.

76. If that interpretation was correct, major changes were required; otherwise, there was a risk that UNDP would be increasingly marginalized in the overall context of the development challenge.

77. The Administrator had already begun the process of revitalizing UNDP. An important step had been taken with the elaboration of the Human Development Report 1991. A second step which the Administrator was proposing was to make "strategic decentralization" the organizational pattern of UNDP. That had already led to an increased delegation of project approval authority to the resident representatives in the field and the division managers at headquarters.

78. His delegation urged UNDP to continue in that direction and hoped that the Administrator would pursue a clear-cut strategy based on the general concept of human development and on operational plans for achieving human development. That was the only way to solve the problem of taxpayers not being sufficiently interested in UNDP activities. Just as UNICEF was clearly identified with child protection, UNDP should stand out as the leading agency for human development.

79. The second problem, namely, the impatience of donors with the somewhat bureaucratic approach of UNDP, was more difficult to deal with, mainly because that approach stemmed in part from micromanagement by the Governing Council. In accordance with General Assembly resolution 44/211, his delegation supported the further decentralization of the system and the streamlining of the Governing Council's functioning. Italy would like to see the coordinating role of the resident representatives reinforced through the development of an integrated operational response by the United Nations system to the national programme framework of the recipient country. The reform of the UNDP management structure would make another useful contribution to its efficiency; the Administrator's proposals were a good basis for the discussion of that topic at the current session.

(Mr. Traxler, Italy)

80. The members of the Governing Council should begin a serious process of reappraisal with a view to updating the mechanism for collecting and allocating resources for the next programming cycle and attracting additional funds for UNDP.

81. As far as Italy was concerned, greater efficiency and incentives to contribute could be achieved if the percentage set aside for Special Programme Resources was substantially increased. Although his delegation had deplored the Council's proclivity for general micromanagement, in the case under consideration, Special Programme Resources projects above a certain amount should be scrutinized by the Governing Council in the context of the country programmes and on the basis of clear standards and priorities, which should be established so that the impact of all project expenditure on human development could be evaluated.

82. Lastly, he stressed the importance which his Government attached to the environmental dimension within the general framework of human development. He looked forward to the inclusion of an environment index in a future Human Development Report. The environmental impact assessment of each and every project must become an essential modality of the approval procedure.

83. Mr. KOSTOV (Bulgaria) said that his delegation fully supported the conclusions of the annual report for 1990 (DP/1991/10) concerning the role of technical cooperation in meeting the challenges facing the international community - challenges which demanded concrete and viable action in order to increase awareness of the magnitude and complexity of existing social, economic and environmental problems.

84. At a time when rapid changes were making it possible to supersede ideological confrontation, a new division of the world along economic, social and cultural lines could be avoided, but only through the concerted efforts of all States. That would mean bringing international economic cooperation into line with the requirements of the changing world by achieving a level of development commensurate with current social standards, and by improving the international financial and trading system and directing it towards sustained development. The implementation of the aims and principles of the Declaration adopted at the eighteenth special session of the General Assembly, including those pertaining to technical cooperation, would undoubtedly meet those requirements.

85. His delegation was convinced that UNDP, guided by the principle of universality and by its voluntary character, should continue to adapt its programmes to the needs of Member States and to the priorities established by their national development plans and strategies. In that connection, his delegation shared the view that priority should be given to human development, self-reliance and sustainable development as the principal goals of UNDP activities.

(Mr. Kostov, Bulgaria)

86. The Human Development Report 1991 provided fresh evidence of the validity of the concept that human beings were the main subject and factor in the development process. He concurred with those delegations which believed that there was a correlation between human development and human freedom. At the same time, he shared the view expressed by the representative of the Netherlands, on behalf of the European Community, that extreme caution should be used in relation to the human freedom index contained in the report, in view of the methodological difficulties involved in its elaboration. Moreover, the fact that the data used in the report was six years old diminished the value of the effort. In his country, for example, profound democratic changes had taken place during that period. Accordingly, his delegation welcomed the Administrator's statement that it was not appropriate for UNDP to make human freedom a precondition for assistance. Bulgaria would continue to support all operational activities within the framework of the United Nations which pertained to human development issues.

87. His delegation welcomed the efforts of UNDP on behalf of displaced persons, and believed that they should be accompanied by the search for social and economic conditions which could stem the growth of international migration. It was to be hoped that the changes in global politics would result in fewer political refugees and persons displaced by military conflicts. On the other hand, if the sharp differences in the levels of economic development of different countries were not overcome, they were likely to foster increased migration, with unpredictable consequences.

88. In support of the definition of "self-reliance" contained in paragraph 30 of document DP/1991/10, and in view of its own experience in the transition to a market economy, Bulgaria believed that it would be appropriate to promote the national capacity of recipient countries to manage problems in various sectors of their economies. In that connection, UNDP should further strengthen its efforts in management development. Due attention should be given to the needs of the Central and Eastern European States in transition; efforts should be concentrated not only on helping to manage various economic sectors, but also on developing an economic environment conducive to the deep structural changes under way.

89. His delegation had repeatedly emphasized the importance which it attached to environmental issues, and was willing to contribute to all international endeavours in that field.

90. With regard to the next programming cycle, his delegation generally supported a broader use of the programme approach. At the same time, that approach should be complemented by the development of national programmes. That would be the most comprehensive way of seeking solutions to the specific problems of States. It was to be hoped that the new arrangements with the executing agencies would promote more efficient implementation of the projects and programmes financed by UNDP by flexibly combining the agencies' considerable potential with national execution.

(Mr. Kostov, Bulgaria)

91. Apart from the direct participants, Bulgaria was one of the countries which had been most severely affected by the Gulf crisis, as a result of its strict implementation of the relevant Security Council resolutions. His Government greatly appreciated the attention given by UNDP to that issue, and its granting of technical assistance to the affected countries. It should also be noted that the direct and indirect losses to his country's economy had occurred at a difficult moment. In its transition to a market economy, Bulgaria had started from conditions even more challenging than those of other Eastern European countries, characterized by severe overall imbalances, the disruption of internal markets, increasing internal and external debt, budget deficits, severe deterioration in the terms of trade, uncertainty with regard to future oil prices, and the breakdown of traditional trading relationships. Under those circumstances, it was estimated that losses resulting directly from the Gulf war would amount to more than $1.4 billion per year.

92. Bulgaria was currently implementing a programme of radical economic reform supported by a broad national political consensus and developed with the assistance of the International Monetary Fund and the World Bank. His Government attached great importance to the support of the international community, and highly appreciated the assistance of the Group of 24 and the contribution made by the European Community. It was to be hoped that UNDP would devote greater attention to the Bulgarian country programme, taking into account the additional criteria, such as the sharp decline in per capita gross national product (GNP) and the country's severe indebtedness.

93. Mr. KARUKUBIRO-KAMUNANWIRE (Observer for Uganda) said that the technical assistance issues to which his country attached special importance included the trends in technical assistance delivery by the United Nations development system; current world economic and social developments, and their impact on development resources; new initiatives in cooperation modalities, especially national execution and South-South cooperation; efforts to combat the devastating plague of HIV/AIDS; the financing of the successor arrangements for the United Nations Programme of Action for African Economic Recovery and Development, the evaluation of the social costs of adjustment, and the national technical cooperation assessment and programmes; agency support-cost arrangements; the Human Development Report 1991; the role of UNDP in the Programme of Action for the Least Developed Countries for the 1990s; the senior management strategy and the role of the United Nations trust funds; and the budget estimates for 1992-1993.

94. UNDP, as the Organization's main funding channel for technical cooperation, had done a commendable job in the developing countries. However, as the world economy and social situation were undergoing fundamental change, UNDP and the international community must seek new solutions and adjust to the challenges of the 1990s, especially in Africa and in the least developed countries, whose survival was threatened by the harsh international environment.

(Mr. Karukubiro-Kamunanwire, Observer, Uganda)

95. The welcome changes in Europe in 1990-1991, which had ended the cold war and averted the danger of a destructive military conflict between the super-Powers, should result in resources hitherto committed to military purposes being converted into the so-called "peace dividend".

96. Falling commodity prices and the deteriorating terms of trade had undermined his country's export earnings, with severe implications for the sustainability of its economic development process and for its capacity to service the already heavy debt burden.

97. In the past four years, Uganda had maintained an annual growth rate of more than 6 per cent and had managed to reduce the inflation level from 300 to 25 per cent. However, the cost of structural adjustment had been very high. It had been necessary to discharge 60,000 public employees in 1991 as a first step towards the civil service reforms, and Uganda had been unable to obtain sufficient resources for the resettlement of the affected employees.

98. Official development assistance for Africa as a whole had stagnated. In the case of Uganda, aid per capita had been approximately 30 per cent lower than in other sub-Saharan African countries, despite the fact that its UNDP indicative planning figure was among the highest in the world. Bilateral assistance for Uganda, although rising, had averaged only $9 per capita, or 40 per cent of the average $21 per capita for sub-Saharan African countries excluding Nigeria.

99. On the other hand, protectionist and distorted policy measures in the developed market economies were seriously retarding the development and diversification of Uganda's exports. As the unification of Europe might result in reduced official development assistance for Africa and intensified protectionism, the external environment must be improved if UNDP technical assistance was to make an impact on Uganda's development performance.

100. South-South cooperation had therefore assumed critical importance in itself and in the negotiations for a meaningful North-South economic order. In that context, he expressed appreciation for the support of UNDP, the Economic Commission for Africa (ECA) and all other organizations which had helped to strengthen the African subregional groupings. The latter would form the basis of the newly created African Economic Community.

101. Exchange-rate fluctuations had resulted in the loss of reserves in real terms, while the Gulf crisis had raised Uganda's oil import bill, thus dislocating its adjustment programme. In that connection, he drew attention to a resolution adopted at the recent session of the ECA Conference of Ministers, calling upon the Secretary-General to include African countries among the group of countries to be compensated for losses arising from the Gulf war.

(Mr. Karukubiro-Kamunanwire, Observer, Uganda)

102. His Government had welcomed the internalization of the national technical cooperation assessment and programmes process. In collaboration with donors, it was developing a policy paper which would spell out objectives and strategies for all technical cooperation in the future. Under the second phase of the process, it would prepare a technical cooperation programme which would serve as the sole frame of reference for all donors.

103. Uganda had identified the necessary objectives of any technical collaboration to be accepted by it, regardless of the funding source, in the future. Those were: institution-building in order to create a strong and efficient structure capable of implementing government economic and social development policies; human resource development in order to enhance self-reliance in managing national institutions and project implementation; the reversal of the "brain drain", through the correction of economic and social distortions in the development and deployment of human resources; capacity-building and utilization; and the transfer and development of appropriate technology in order to accelerate economic transformation and promote research.

104. The explicit statement of those objectives for technical assistance would eliminate ambiguities and interests which were incompatible with Uganda's overall national development strategy and objectives. In 1992, Uganda would present its fourth country programme to the Governing Council; that programme, as well as any other technical assistance programmes, must conform to those objectives.

105. The national execution of UNDP-assisted projects was designed to take advantage of the technical capacities already existing in the developing countries. His Government had established a National Execution Unit to oversee operations in that area. Since then, pseudo-government execution, which had merely meant subcontracting to one or more foreign organizations, had been eliminated. However, there was a need for greater harmonization between his Government and UNDP in that area.

106. HIV/AIDS had become the primary threat to the human race. The intensity of the danger appeared to vary according to different levels of development. In the developed countries, AIDS victims seemed to live longer, productive lives after contracting the disease. In poor communities, in which health and nutrition were already poor, victims deteriorated quickly and died from associated diseases because they lacked immediate treatment. AIDS was therefore both a medical and an economic problem. Until a cure was found, the following integrated approach should be taken: preventing infection and reinfection through mass education campaigns to change social behaviour, and through the use of preventive methods; averting and providing immediate treatment for opportunistic diseases; and providing help for orphans and the aged, formal and vocational education for orphans, and rural income-generating activities for spouses and dependants.

(Mr. Karukubiro-Kamunanwire, Observer, Uganda)

107. The 1980s had been a depressing decade for Africa. The real growth rate of gross domestic product (GDP) for sub-Saharan Africa had been 1 per cent for the period. Real per capita incomes had declined yearly at an average rate of 2.2 per cent. Exports had declined yearly at a rate of 0.7 per cent from 1980 to 1988. The sub-Saharan African share of world exports had fallen from 2.4 per cent in 1980 to 1.7 per cent in 1985. The external debt had risen from $82.7 billion in 1984 to $139.5 billion in 1988, representing 98.8 per cent of GNP.

108. In May 1990, the ECA Conference of Ministers responsible for development had issued a memorandum which should be circulated to all members of the Council. For their part, the African countries had made commendable efforts to respond positively to the United Nations Programme of Action for African Economic Recovery and Development, while a careful and reasoned evaluation of the international community's response showed that it had not fully done its share. He urged UNDP, the United Nations system and the international community to examine the magnitude of the African problem and to establish mechanisms for the effective implementation of the United Nations Programme of Action for African Economic Recovery and Development, and the Programme of Action for the Least Developed Countries for the 1990s.

109. Mr. MROZIEWICZ (Poland) said that his delegation had noted with satisfaction the sizeable expansion of UNDP activities in 1990 as compared to the previous year. UNDP was playing a substantive and active role in many international development meetings and decisions. In that connection, his delegation suggested that a seminar should be organized to study the new dimensions and characteristics of the global economy on the threshold of the twenty-first century, as seen by international financial and economic policy makers and representatives of transnational corporations. Such a seminar could perhaps be held under the joint auspices of UNDP and the United Nations Commission on Transnational Corporations.

110. An important aspect of the process of transition to democracy and a market-oriented economy was the question of regional and local development within a country. Ultimately, it was in local areas that the institutional base for entrepreneurship and small- and medium-sized enterprises must be created, so as to attract local and foreign capital.

111. A seminar on regional development corporations was currently being held in Poland in cooperation with the United Nations Industrial Development Organization (UNIDO), and a wider exchange of experiences in that regard would be helpful to his country. Poland hoped to avail itself of the expertise and achievements of other countries in that area through the UNDP network.

112. Drawing attention to document DP/1991/10/Add.1, he said that economic growth had been registered in 1990 in various geographic regions, but especially in Asia and the Pacific. For the Arab States and Europe, it had been a very difficult period. Unfortunately, no figures on growth or

(Mr. Mroziewicz, Poland)

regression had been given. In Poland, notwithstanding a number of positive results, there had been a 25 per cent decline in the industrial output of State enterprises and a 10 per cent drop in fixed-asset investment. The unemployment rate had reached 6 per cent, real wages had dropped by 30 per cent, and the GDP had fallen by approximately 12 per cent.

113. Nevertheless, his delegation believed that the medium-term economic framework for 1991-1993 would lead to improved performance and sustainable growth, with a concentration on the privatization of 50 per cent of State enterprises, the promotion of domestic and external competition, the liberalization of the few remaining price controls, the modernization of the agricultural sector, the creation of a competitive banking system and financial markets, and fiscal reform. In all those endeavours, his country required urgent foreign technical assistance, including that of UNDP. He expressed gratitude for the valuable assistance which his country had received in 1990 from UNDP, including from the newly established UNDP office at Warsaw.

The meeting rose at 1 p.m.